

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

SCCT-01 SY-05 AID-05 COME-00 EB-07 FRB-03 TRSE-00

XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 /090 W  
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R 061647Z JUL 76

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 5968

INFO ALL CONSULATES IN MEXICO (POUCH)

AMEMBASSY CARACAS

AMEMBASSY GUATEMALA

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L SECTION 1 OF 2 MEXICO 8603

1. SUMMARY: BUT FOR BRIEF REVIVALS WHEN THE GENERAL TIRE CASE WAS AIRED AND WHEN A POLITICAL KIDNAPPING OCCURRED, THE DE-STABILIZATION RHETORIC WHICH CHARACTERIZED APRIL LARGELY SUBSIDED IN MAY AND JUNE. THE AMBASSADOR'S MAY 3 STATEMENT ON US CONFIDENCE IN THE PESO'S STABILITY, THE DEPARTMENT'S TESTIMONY ON COMMUNISM IN LATIN AMERICA AND THE SECRETARY'S VISIT ALL CONTRIBUTED TO CALMING THE HIGHLY CHARGED ATMOSPHERE. WITH THE JULY 4 ELECTIONS APPROACHING, MEXICO'S ATTENTION TURNED INWARD AND WHAT NEW TROUBLES THERE WERE (STUDENTS, LABOR INSURGENCY) GAVE LESS PRETEXT FOR FINDING FOREIGN INTERVENTION. INTERNATIONAL EVENTS CONTINUED BUT DID NOT DOMINATE THE NEWS: ECHEVERRIA ATTENDED THE HABITAT CONFERENCE WITH THE FINALLY APPROVED "HUMAN SETTLEMENTS" BILL IN HIS POCKET, PRESIDENT LAUGERUD OF GUATEMALA CAME FOR THREE DAYS AS DID EIGHT EUROPEAN SOCIAL DEMOCRATIC LEADERS AFTER ATTENDING A CONFAB IN CARACAS. THE SECRETARY'S VISIT WAS THE MAJOR SUCH EVENT, PROMPTING RATHER FAVORABLE  
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PRESS AND GOM REACTION. END SUMMARY.

2. GENERAL TIRE/GENERAL POPO CASES.

NEWS OUT OF WASHINGTON THAT GENERAL TIRE COMPANY WAS BEING INVESTIGATED FOR MAKING ILLICIT PAYMENTS TO MEXICAN OFFICIALS THROUGH ITS MEXICAN SUBSIDIARY CAUSED THE TO-BE-EXPECTED SENSATION, THE PRESIDENT CHARGING THAT SINCE NAMES WERE NOT GIVEN, IT WAS PART OF THE "CAMPAIGN" TO DISCREDIT MEXICO.

3. TERRORISM AGAIN

AFTER A YEAR AND HALF OF RELATIVE ABSENCE OF TERRORIST ACTIVITY, THIS TWO MONTH PERIOD WITNESSED A MAJOR POLITICAL KIDNAPPING AND TWO TERRORIST HIT AND RUN ATTACKS, ALL BY THE 23 OF SEPTEMBER COMMUNIST LEAGUE. ON MAY 6 TERRORISTS KILLED SIX BODYGUARDS OF A PROMINENT MEXICAN BUSINESSMAN (REPUTED TO BE CLOSE TO THE PRESIDENT) AND ON MAY 27 THE LEAGUE ABDUCTED THE DAUGHTER OF THE BELGIAN AMBASSADOR HERE. SHE WAS RELEASED UNHARMED AFTER A FOUR HUNDRED THOUSAND DOLLAR RANSOM WAS PAID, PROBABLY WITH ASSISTANCE FROM THE GOM. ON JUNE 4 TERRORISTS KILLED AT LEAST FOUR POLICEMEN IN A SECOND HIT AND RUN SLAYING. IN ALL THREE INSTANCES THERE WERE SOME GOM AND PRESS SUGGESTIONS THAT RIGHTIST, FOREIGN INSPIRED FORCES WERE AT WORK, BUT WITH THE SECRETARY'S VISIT APPROACHING, THESE WERE MADE WITH LESS THAN USUAL VEHEMENCE. ACCORDING TO CONFIDENTIAL SOURCES, THE GOM HAS CREATED A SPECIAL COUNTER-TERRORIST UNIT WITH AUTHORITY TO TAKE WHATEVER MEASURES NECESSARY TO BRING THE 23 OF SEPTEMBER GROUP UNDER CONTROL. ALREADY THE PRESS HAS REPORTED THE DEATHS OF SEVERAL LEAGUE MEMBERS IN WHAT IT DESCRIBED AS PURGES RESULTING FROM INTRA-LEAGUE LEADERSHIP RIVALRIES.

4. STUDENT DISORDERS

A BRIEF BUT VIOLENT OCCUPATION OF AN ADMINISTRATION BUILDING AT THE UNIVERSITY OF PUEBLA WAS "RESOLVED" IN TYPICALLY MEXICAN FASHION IN TIME FOR THE PRESIDENT'S ATTENDANCE MAY 5 AT AN ANNUAL CELEBRATION IN PUEBLA. THE IDSSIDENT STUDENTS FLED THE BUILDING WHICH THEY HAD OCCUPIED WHEN THE TIGHT RING OF SECURITY AROUND IT RELAXED DURING THE EARLY AM OF MAY 4. NO ARRESTS WERE MADE. CONFIDENTIAL SOURCES CONFIRMED OUR IMPRESSION THAT THE STUDENTS ACCEPTED A DEAL WHOSE ALTERNATIVE WAS THEIR FORCIBLE EJECTION. IN JUNE A DOZEN OR SO PROFESSORS' CONFIDENTIAL

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UNIONS AROUND THE COUNTRY THREATENED A NATION-WIDE STRIKE BUT THE EFFORT APPARENTLY FIZZLED, WITH LITTLE PRESS ATTENTION BEING GIVEN TO IT.

5. LABOR INSURGENCY WITHIN PRI-DOMINATED UNIONS

INSURGENCY WITHIN THE RANK AND FILE OF THE FIDEL VELAZQUEZ DOMINATED PRI LABOR UNIONS HAD ITS FIRST IMPORTANT SUCCESS WHEN A WILDCAT STRIKE OF TELEPHONE WORKERS RESULTED IN A

REFERENDUM ON UNION LEADERSHIP, WHICH THE DISSIDENTS WON BY AN EIGHT TO ONE MARGIN. APPARENTLY, THE ESTABLISHMENT LEADERSHIP DECIDED TO CONCEDE GRACEFULLY WHAT IT IN THIS INSTANCE NO LONGER HAD THE POWER TO RETAIN, FOR ALL NEWS-PAPERS PRINTED FRONT PAGE PHOTOGRAPHS OF THE DEFEATED LEADER CONGRATULATING HIS SMILING OPPONENT IN THE PRESENCE OF A GOM LABOR OFFICIAL. THIS NOVEL PRECEDENT MAY ALREADY BE ENCOURAGING OTHER WILDCAT STRIKES. THE "DEMOCRATIC TENDENCY" SECTOR (LED BY FORMER PRI SENATOR RAFAEL GALVAN) OF THE MAJOR ELECTRICAL WORKERS UNION, SUTERM, ANNOUNCED A STRIKE FOR JUNE 30, LATER POSTPONED TO JULY 16 AFTER THE PRESIDENT PUBLICLY CALLED FOR ITS POSTPONEMENT UNTIL AFTER THE JULY 4 NATIONAL ELECTIONS. HOW THE GOM WILL HANDLE THIS LATEST CHALLENGE TO PRI DOMINATED LABOR IS NOT YET CLEAR.

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XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 /090 W  
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INFO ALL CONSULATES IN MEXICO (POUCH)

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C O N F I D E N T I A L SECTION 2 OF 2 MEXICO 8603

6. JLP ENDS CAMPAIGN

THE PRESIDENTIAL CAMPAIGN ENDED JUNE 30 (BY LAW) WITH JLP MAKING HIS FINAL MAJOR CAMPAIGN SPEECH ON JUNE 27. THAT

SPEECH WAS BILLED AS ONE GIVING JLP'S PLAN DE GOBIERNO BUT IT CONTAINED LITTLE MORE SPECIFICS THAN HAD PAST ADDRESSES. JLP STRESSED SELF-SUFFICIENCY IN FOOD AND THE CREATION OF JOBS AS HIS TWO TOP PRIORITIES, GIVING LITTLE ATTENTION TO FOREIGN POLICY. AS THE CAMPAIGN ENDED PRI EFFORTS SEEMED DIRECTED TOWARD ENCOURAGING THE LARGEST POSSIBLE VOTE. FORMER PRESIDENCY SECRETARY CERVANTES DEL RIO, NOW HEAD OF THE PRI IN THE FEDERAL DISTRICT, SAID 50,000 PRI WORKERS WOULD CONTACT A HUNDRED VOTERS EACH ON ELECTION DAY TO ENCOURAGE THEM TO VOTE AND PRI PROPAGANDA FILLED NEWSPAPERS URGING ALL VOTERS TO GO TO THE POLLS. SEVERAL PAPERS EDITORIALIZED THAT THE PRI SHOULD BE CAREFUL NOT TO COERCE THE VOTERS.

7. SECRETARY'S VISIT HIGHLIGHT ON INTERNATIONAL SCENE  
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GRABBING THE HEADLINES IN THE INTERNATIONAL AREA IN MAY AND JUNE WAS THE SECRETARY'S FOUR DAY VISIT TO MEXICO CITY AND CANCUN. PRESS REACTION WAS POSITIVE (I.E., LESS ANTI-GRINGO THAN USUAL) AS WAS ALSO THE RECEPTION IN GOM CIRCLES. THE SECRETARY'S REPLY TO A REPORTER'S QUESTION EMPHASIZING THE IMPORTANCE OF MEXICAN STABILITY (COMBINED WITH THE AMBASSADOR'S EARLIER STATEMENT ON US CONFIDENCE IN THE PESO AND THE DEPARTMENT'S TESTIMONY ON "COMMUNISM" IN LA) HELPED TO TONE DOWN THE DESTABILIZATION RHETORIC WHICH HAD CHARACTERIZED MOST OF APRIL. THE GOM PROPOSAL FOR A PRISONER EXCHANGE CONTINUES TO RECEIVE PRESS ATTENTION. GOM OFFICIALS PUBLICLY AND PRIVATELY EXPRESSED SATISFACTION THAT THE VISIT PROVIDED THE OCCASION TO FOCUS ON A VARIETY OF CURRENT BILATERAL ISSUES.

8. INTERNATIONAL ACTIVISM CONTINUES  
THE PROXIMITY OF MEXICAN ELECTIONS AND SUBSEQUENT CHANGE OF GOVT HAS NOT BEEN ACCOMPANIED BY A CONCOMITANT WINDING DOWN OF THE CURRENT ADMINISTRATION'S ACTIVISM IN FOREIGN POLICY.

9. DURING THE PAST TWO MONTHS MEXICO HAS RECEIVED THE AFRICAN NATIONAL COUNCIL OF ZIMBABWE (ASSERTION OF GOM SUPPORT OF BLACK AFRICAN LIBERATION), SOCIAL DEMOCRATIC LEADERS COMING FROM THEIR CARACAS CONFERENCE (ASSERTION OF THE SOCIAL DEMOCRATIC CHARACTER OF PRI), GUATEMALAN PRESIDENT KJELL LAUGERUD (NEIGHBORLY SOLIDARITY), AND CUBAN VICE-PREMIER CARLOS RAFAEL RODRIQUEZ (REVOLUTIONARY SOLIDARITY).

10. INTERNATIONAL CONFERENCES DOMINATED WITH ECHEVERRIA'S ATTENDANCE AT THE VANCOUVER HABITAT CONFERENCE COMPETING WITH THE GOM'S NON-ATTENDANCE AT THE OASGA IN SANTIAGO AS THE "SUCCESS OF THE MONTH."

11. TO ITS LIST OF "FACIST" GOVERNMENTS MEXICO APPEARS TO  
HAVE ADDED THOSE OF ARGENTINA, URUGUAY, AND BOLIVIA.  
RECENTLY MEXICO ACCEPTED REMAINS OF ASSASSINATED BOLIVIAN  
EX-PRESIDENT JUAN JOSE TORRES, AND GAVE ASYLUM TO A LARGE  
GROUP OF URUGUAYAN POLITICAL DISSIDENTS.  
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## Message Attributes

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